


Interview With U.S. Air Force MG Darryl A. Scott, DCMA

Elizabeth Connell



On Dec. 3, 2004, MG Darryl A. Scott, Defence Contract Management Agency (DCMA) Director, generously took time out of his busy schedule to discuss with *Army AL&T* Magazine how DCMA helps the Army acquisition community.

In summer 2004, then BG Darryl A. Scott visited DCMA personnel providing contingency contracting support to coalition services in Iraq, Kuwait and Afghanistan. He met with Air Force COL Steve Zamperilli, then DCMA Iraq Commander, and Air Force LTC Russ Blaine, then DCMA Northern Iraq Commander, at a site near Baghdad. (Department of Defense photo.)

Army AL&T: As Director, what are your personal goals for DCMA [Defense Contract Management Agency]?

Scott: My first goal is to transform the Agency into a customer-focused organization. About 3 years ago, DCMA surveyed all the program executive offices, more than 60 program managers [PMs] and many of our major customers. The big response was that DCMA was too internally focused, that we tended to evaluate our performance by criteria we set rather than criteria the customer set. So we have been working hard to change through an effort started under my predecessor, U.S. Army BG Edward M. Harrington. The objective is to measure our success by the customer's success measure — if the customer is not successful, we can't claim success.

My second goal goes along with that. It's not enough to say that I am measuring myself by the customer's success criteria — I must have a plan and metrics to indicate how I'm doing against those expectations. I call that performance-based management. That's been DCMA's major thrust for the year I've been here — developing concrete objective measures so that when I tell a customer "here are the outcomes that I'm managing for you," he has a clear idea what I'm going to do, how many resources I have committed and what the success criteria are. Then we don't argue about whether we're doing what we're supposed to be doing — the metrics tell the story.

Each major Army ACAT program has a program support network or, as we call it, a program support team assigned to it. The lead person serves as the program integrator and coordinates all activities across the network and across all the CMOs, to support the program office.

My third goal is to revitalize the DCMA workforce. My first tour with DCMA was in the early 1990s when we had about 26,000 people. Now we're down to 11,000. We shed about 1,000 people a year for 12 years straight, which we did for good reasons. Now we've leveled out and it's

time to start looking at the future. The average age of my workforce is almost 52. The advantage of that is my staff is very experienced. But, although I want every 52-year-old to stay as long as possible, at some point they're going to retire. I'm bringing in about 200 interns and young college graduates a year, so I now have about 600 people in their 20s. But in between those two demographic mileposts, I'm really thin. I have very few people in their early 30s to early 40s. I've got to do something to keep my workforce vibrant, to prepare for the kinds of things customers expect us to do and to make sure we're doing those things for the future.

A supporting goal of mine is to examine our organization — enterprise management. I have two large U.S. districts, with about half my people in each, and one international district. I have 44 major brigade-level field commands in CONUS and 6 overseas. Each of these organizations has traditionally acted like a frontier outpost, managing the contracts in their region. They didn't much care about or support what the other CMOs [contract management offices] were doing.

When I look at major acquisition programs — particularly something like Future Combat Systems (FCS) for the Army, 35 of my 50 brigade-level commands are involved in FCS. The challenge is how to bring the capabilities of multiple DCMA units together in an enterprise fashion that adds value for our customers. We're doing that really well with FCS. In fact, FCS is kind of our pilot for how we would operate across the enterprise, rather than in separate contract management activities. We're trying to take the things we're learning from that to understand how we can manage at the enterprise level for the majority of our major-system customers.

Our international district takes care of the unique aspects of doing contract management overseas. In some cases we have host-nation support agreements where host-country nationals actually provide contract management services and DCMA employees oversee what they're doing, which allows me to operate with a smaller footprint. My international district employees understand things like managing an international supply chain, getting country clearances to move materiel from a subcontractor in New Zealand, for example, back to a prime contractor in the U.S.

Army AL&T: Do you try to get out to as many posts as you can?

Scott: I do try to get out to as many as I can. I have visited 27 of our brigade-level commands. I've visited five of our six OCONUS commands. The only one I haven't visited is in Ottawa, Canada — the closest one! But I'm on my way.

Army AL&T: How is DCMA helping the Army meet its near- and long-term transformation goals?

Scott: We're very much part of the



MG Scott and DCMA Boeing Long Beach C-17 Production Chief Joe Esquivel, at the Boeing plant in Long Beach, CA, discuss DCMA's critical role in ensuring that aircraft are delivered to customers "mission ready." (DOD photo.)

Army transformation team. Our involvement ranges from a tactical level — the kinds of things we're doing day-to-day in my CMOs to support the Army transformation programs, and the legacy programs as well — to looking long into the future. To give a couple of examples, we are heavily engaged with FCS. I've got 200 full-time equivalents (FTEs) working FCS programs. At the tactical level, the FTEs provide insight on what's happening on the factory floor back to the PM and they provide schedule and cost oversight through the earned value management system. At the strategic level, we're supporting the Army Materiel Command (AMC) with a look over the next hill at things like industrial base capability to support Army transformation.

In 2003, GEN Paul J. Kern [then AMC Commanding General] asked us to take a look at the defense industrial base and its ability to support the

legacy systems while the Army transformed into the Future Force. We conducted a very successful study for him, pointing out risk areas, areas where the Army needed to pay attention and opportunities where the Army might be able to leverage things to shift program priorities around to reduce transformation risk.

We did that so well that in FY04, GEN Kern asked us to go back and look at future capabilities. The study was more technology focused and asked, 'Were the key technologies available and are they likely to be mature enough?' It's one thing to test technology in a laboratory environment, but it's another thing to have the technology base available to field equipment in quantity to support Soldiers. We looked at 10 key technology areas and assessed the industrial base's technological maturity. We recommended several areas that the Army might want to make more investments in. If the

Army wants to be totally mission capable by 2014, then it needs to start concerning itself with the industrial base and technology readiness now. We're continuing to build the relationship between my Industrial Analysis Center (IAC) and the industrial base folks over at AMC now.

Army AL&T: How does DCMA work with Army acquisition professionals?

Scott: We regard ourselves as being in partnership with Army acquisition professionals. Indeed, many are part of DCMA now, they've come to work for us and will go back to the Army. Roughly one-third of my commanders are Active Duty Army officers. We regard ourselves as very much part of the Army team for the large programs, particularly the ACAT [acquisition category] I programs we manage. Each major Army ACAT program has a program support network or, as we call it, a program support team assigned to it. The lead person serves as the program integrator and coordinates all activities across the network and across all the CMOs, to support the program office. This person is the early warning system for the PM, ensuring that information flows up in time for the PM to make sound business decisions. Likewise, when the PM has made a decision that needs to be implemented in the plant, the program integrator flows information down through the organization. Our program integrators usually participate in all key meetings

and information exchanges that the PMs conduct so we know what the PM's concerns are and we're out there working on them.

Additionally, we have excellent resource management systems in DCMA including risk management systems that identify key moderate- and high-risk activities and an activity-based management system that lets me tell the Army — pay period by pay period — in what activities and for how many hours DCMA supports specific Army programs.

Army AL&T: You have said previously that there is more funding for defense acquisition projects since Ronald Reagan's presidency but fewer acquisition workforce members to work on projects. How does DCMA help the Army acquisition workforce accomplish its goals?

Scott: There are two ways we assist the acquisition workforce — direct and indirect support. In our direct support role, we do things for Army acquisition that they can no longer do for themselves because of resource constraints. Given these constraints, it's too difficult and expensive to maintain the skill base that we do. For example, we provide engineering surveillance so the Army doesn't have to put its own engineers on the factory floor to look over contractor design activities or determine how

the contractor is transitioning from design to production readiness. DCMA can provide those resources.

The second way we help is through indirect support. We have put a lot of emphasis on becoming more efficient while providing capability for the Army with a smaller footprint. A key performance goal we set for ourselves is to move 3 percent of the Agency overhead, per year, into direct customer

support. In FY04, we exceeded that goal with a result of nearly 5 percent. One way we did this was by consolidating all information technology operations into a single organization, where previously they were distributed throughout the three districts, which allowed me to move 100 positions from an overhead function into direct support. We redeployed those FTEs as industrial specialists, quality assurance folks, contract administrators, engineers and property administrators.

Additionally, we have excellent resource management systems in DCMA including risk management systems that identify key moderate- and high-risk activities and an activity-based management system that lets me tell the Army — pay period by pay period — in what activities and for how many hours DCMA supports specific Army programs. We examine that data so we can shift resources around to ensure that I have put DCMA resources where the moderate and high risks are. In fact, 98 percent of my resources go to activities that customers have identified as moderate to high risk.



Army AL&T: Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology LTG Joseph L. Yakovac Jr., espouses the need for Army acquisition professionals to work more interdependently with the other services. How will DCMA help the services form interdependent partnerships with a Joint and expeditionary focus?

Scott: DCMA is inherently Joint. We have Army officers, but we also have Navy, Marine Corps and Air Force officers as well. Typically, when an Army officer comes into an assignment in DCMA, he's going to be working shoulder-to-shoulder with Air Force, Navy and Marine Corps personnel. I'll give you an excellent example. My lead CMO for FCS is Boeing, St. Louis. The commander there is a Marine Corps colonel and an aviator. I have this colonel there because the other big activity in that plant is F/A-18 Super Hornet production for the Navy and Marine Corps. So when you look at the CMO staff, you see Marine, Navy and Army uniforms all interacting.

Conversely, my Southeast aircraft operation is a large organization that has all the aircraft operations east of the Mississippi, fixed and rotary wing. There I've got a Navy captain as the commander. He has a subordinate commander in the Ozark, AL, location who is an Army O-5 [lieutenant colonel] aviator, who is also dual qualified in the Acquisition Corps. Below him are Army acquisition officers, aviators and maintenance technicians, but also Air Force aviation maintenance managers. So folks get to rub shoulders and elbows with their counterparts from the different services. They get a tremendous cross-flow of ideas, and we bleed those experiences and capabilities over to all of them.

Further, LTG Yakovac really has been superb in bringing DCMA into his

career management and career development initiatives for the Army acquisition workforce. He is trying to establish sectors where Acquisition Corps folks can rotate around and see a variety of life-cycle acquisition processes such as front-end technology efforts; systems design and development efforts; and production and post-award performance management. We're looking for opportunities where officers can rotate around through Army and DCMA jobs to pick up greater professional exposure and expertise.

In the spirit of full disclosure, this rotation is difficult for us because when officers come to us, we're

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going to deploy them. We're trying to figure out how we can manage this rotation and have officers serve a year in a logistics support assignment, a year in an acquisition program office and a year in DCMA. While officers are with us, they're probably going to be in Afghanistan, Iraq, Djibouti or Kuwait for 6 months out of that year. If we can work out these rotational assignments, we'll really appreciate this opportunity to work with the Army to develop full-spectrum acquisition professionals.

Army AL&T: Given the fact that you have staff from all the services working together while they are with you or involved in your programs, have you seen evidence that they are taking the lessons they have learned under DCMA's guidance and brought them back to enhance Joint operations?



DCMA Commander MG Scott discusses the direct and indirect support his organization provides to its DOD customers with Elizabeth Connell, *Army AL&T* Magazine Managing Editor. (U.S. Army photo by SGT Scott Meinhardt.)

Scott: Absolutely, what we are now getting to see are folks who are coming back to DCMA for their second tour. Those guys tell me their early experiences in DCMA were invaluable in their assignments back to the program offices. I have an Army lieutenant colonel who just finished his tour as my XO [executive officer], his second DCMA assignment. His first assignment was in our Central Pennsylvania office working on the Bradley program. When he leaves DCMA now, he is going to the U.S. Army Tank-automotive and Armaments Command, and he is definitely taking those lessons he learned as the Bradley program integrator with him.

Army AL&T: You have worked at many levels of defense acquisition. With your inside experience, what do you see as the major focus in DCMA's role as a combat multiplier?

Scott: We really have two roles as a combat multiplier. One, DCMA is a combat support agency. That role is a relatively small part of our resources, about 5 percent overall. But that's a role that virtually every deployed Soldier is touched by. We're over in Iraq, Afghanistan, the Horn of Africa. We are supporting special operations in the Philippines and the Balkans. Contractors run dining halls, set up and break down camps, grade roads and provide a portion of the long-haul ground transportation; and my personnel are over there — in theater — managing those contracts. My guys are sharing the same dangers as their Soldier brethren. In addition to my uniformed Soldiers, 45 percent of the folks I have deployed in Iraq are DOD civilians. I'm really proud of my civilians and the contributions they make every day. What's really special is that they're all volunteers. It isn't unusual to find civilians in my agency who have completed two or three deployments.

The second combat support role DCMA performs is in the plants. There is our normal program support role for THAAD [Theater High Altitude Area Defense], FCS and the family of medium tactical vehicles, among many others. But we do other things, such as managing surge activity. After Sept. 11, 2001, there was lots of surge activity going on, everything from ramping up production of personal protective gear to helping the Army develop new sources for small-arms ammunition, to accelerating the aircraft that were in contract depot repair and getting them back to the flight line faster. Closely tied to that mission is troubleshooting. We're the eyes and ears in plant, and the fact that we're learning to operate as an enterprise allows us to provide some visibility you can't get any other way.

Army AL&T: As a key player in FCS's One-Team concept, what type of support are you providing to PM Unit of Action (UA) (formerly PM FCS)?

Scott: We are fully integrated into PM UA's integrated product team (IPT) structure, with representatives on every one of PM UA's IPTs. This is where my ability to look across the agency as an enterprise really stands us in good stead. I provide a subject matter expert [SME] to each IPT to work the PM's issues. So I may provide somebody on an IPT out of Boeing St. Louis because that's where PM UA's office is. But, if it's an issue on the training systems IPT, I may provide SMEs out of the facility where the IPT is headquartered rather than out of St. Louis. We're supporting PM UA on its earned value management system and integrated master schedule. We're the ones going down, working with the contractors on the FCS team to ensure that we can integrate those many financial systems that all support earned value, that support the other

systems that are required to give PM UA an accurate and timely side picture on cost and schedule throughout the program network.

Army AL&T: DCMA has been tapped to play a lead role in support of the global war on terrorism (GWOT). OSD [the Office of the Secretary of Defense] recently tasked DCMA to oversee the daily management of the defense industrial base critical infrastructure protection program. What does this entail and what are your specific roles?

Scott: We are the lead agent on the defense industrial base portion of the critical infrastructure protection program. That means we do a number of things. One is we provide a key input into what is called a DISAP — Defense Infrastructure Sector Assurance Plan. To do that, we examine the defense industrial base and identify places where there are single points of failure — i.e., one single contractor who, if their facility was hit, would represent a significant blow to DOD. We then work with and advise the contractor on ways to mitigate risks and vulnerabilities in that environment. In one case, we recommended to the Army and a contractor that they establish a second source. It was a critical technology item and we looked at the facility's vulnerability given that the item is in such critical need, and advised the contractor to establish a second production line, both for capacity purposes and for hot back-up capability. We also provide input to OSD for overall vulnerability assessments, identifying industrial sectors that represent moderate or low risk and recommending ways to reduce vulnerability in those sectors. My IAC in Philadelphia has the lead on that mission function and we work very closely with the OSD staff, all the services and the Department of Homeland Security.



Then BG Scott and William V. Ennis, DCMA IAC Director, present IAC analyst John Furey with an award for 30 years' distinguished government service. (Photo courtesy of DCMA.)

Army AL&T: DCMA's IAC judges the capabilities of the United States' industrial base. What is your assessment of Army facilities (depots/arsenals or industrial partners) thus far?

Scott: Back in 2003, as part of the Army Transformation Industrial Base Study, GEN Kern asked us to look at the Army's organic industrial capabilities and the contractor industrial base to identify potential future capability gaps and shortfalls and investment opportunities that made sense. Additionally, my tremendously talented IAC guys provide a capability found nowhere else in DOD.

They are economists, engineers, statisticians and modelers. They provide vulnerability assessment models for the DISAP. We're also looking into supply chain modeling, not in the sense that logisticians look at supply chain modeling but for industrial-base supply-chain modeling. The industrial base really is a web of relationships, and modeling lets us show how business decisions may affect other programs. For example, failure to maintain adequate capability in one area probably won't hurt you on this program but downstream, on some other program, you may find that your industrial base is going to dry up

underneath you because there is not sufficient work to keep it vibrant.

Army AL&T: Does DCMA have contingency contracting members serving with the military in Afghanistan and Iraq? What principle roles are they performing?

Scott: We do, and I want to say these folks are doing outstanding work. Before GWOT, we probably deployed about 30 people a year. Now, counting all rotation cycles, I have about 100 people out at any one time. They go out on 179-day TDYs [temporary duty], so I'm really deploying about 200 people a year, and about 40 percent are civilians. DCMA provides quality assurance folks, administrative contracting officers and property management folks — almost the full spectrum of acquisition skills that I have in the Agency. Iraq is my largest operation, with nearly 50 people deployed, but I also have folks in Afghanistan, the Horn of Africa and the Philippines. In GWOT, Iraq makes the news every night but there are Soldiers, sailors, airmen and Marines in a lot of other places doing dangerous things and DCMA is right there, supporting them. Everywhere they are, we are.

We are actively recruiting folks who want a little excitement in their lives. With DCMA, they can go to Kuwait, Afghanistan, all those kinds of places. We realize those places are dangerous, so we've got quite an incentive package for folks to volunteer for those assignments. While they're deployed, they get a one-grade increase — if you're a GS-12, you deploy as a GS-13. Typically, these Emergency Essential (EE) programs are 3-year assignments. Within those 3 years, they can expect to deploy two or three times and, by the end of the assignment, they will have accumulated enough time in the higher grade to qualify for a noncompetitive reassignment in the higher grade. Of course while they're over there, if they are in a hot zone, they also get hazardous duty pay and tax and other financial incentives. None of the places have 40-hour workweeks. These folks are working 16-hour days, 7 days a week and we pay them overtime. We're recruiting outside the Agency as well — it's an excellent rotational opportunity for Army acquisition civilians who want a little more excitement. And we promise that when they finish their EE assignments, we'll give them back to the Army bolder, brighter and better than ever before.

Elizabeth Connell is the Managing Editor of *Army AL&T* Magazine. She has more than 10 years' of publishing experience. She has a Joint Honours degree in geography and East Asian studies from McGill University.



DCMA's Industrial Analysis Center — Preparing for the Future

Since 1992, DCMA's Industrial Analysis Center (IAC) has been helping senior DOD decision makers plan for the future. The Philadelphia-based center employs industrial specialists, engineers, economists and computer programmers who research domestic and foreign companies, academic institutions and research and development centers to determine the industrial base's ability to support current and future defense and military operations.

IAC's analysts examine various industrial base aspects to identify weak points that might hinder current and future operational readiness. They assess the ability of an industry sector, commodity or specific industrial site — both domestic and foreign — to meet current and future acquisition requirements. IAC homeland defense industry analysts conduct vulnerability

assessments on critical infrastructure to ensure the safety and security of key manufacturing sites. Critical contractors, key subcontractors, production capacities, lead times and current and maximum production rates are all examined to predict industry's ability to handle surge demand. Emerging technologies are evaluated in light of industry's ability to fully develop and produce them.

Economists and policy experts examine the financial and policy aspects of industry. They examine the financial viability of a sector, company or product line to determine if a needed capability will be lost because of financial reasons. Through these financial viability assessments, they assign risk ratings to industry sectors, companies and product lines to aid DOD decision makers in planning. Economic analysis forecast studies examine economic, technology

and policy trends that affect industrial practices over 10 to 25 years. Changes such as corporate reorganization, vertical integration and globalization can all impact the industrial base's ability to respond to defense and military requirements, so IAC analysts closely watch these factors.

IAC has conducted several studies for the Army, including an Army Transformation Industrial Base Study for the Army Materiel Command Commanding General. IAC also provided risk assessments of and options to enhance eight industry sectors supporting current systems and assessed future force technologies, identifying industrial base risk.

Go to <http://home.dcmil.com/cntr-dcmac-s/index.htm> to learn more about IAC.

AAC and AMC to Host Annual Conference

The Army Acquisition Corps (AAC) and the Army Materiel Command (AMC) are joining forces to produce the *2005 Acquisition Senior Leaders and AMC Commanders Conference*. The 4-day event will be held Aug. 22-25 in the automobile capitol of the world — Detroit, MI.

Since 1990, the conference has served as a platform that enables the Army Acquisition Executive, Deputy Assistant Secretaries of the Army and other Army senior leaders a unique opportunity to communicate directly with program executive officers (PEOs), program/project/product managers (PMs) and acquisition and contracting commanders to discuss new direction, guidance and policies, as well as best business practices affecting the Army's diverse acquisition customers — Army combatant commanders and their Soldiers.

During this year's conference, AMC's senior leaders and commanders will join their AAC colleagues to discuss the challenges the respective communities face in implementing the Life Cycle Management Commands (LCMCs), a new organizational concept initiated in August 2004. In an effort to build a better logistics sustainment base through implementation of LCMCs, the Acquisition Workforce and AMC communities have a tremendous opportunity to orchestrate meaningful dialogue with their commercial industry partners. Boasting a rich industrial and manufacturing heritage for the automotive industry, Detroit offers excellent benchmarking opportunities for realizing the Army vision for the LCMCs. Additionally, the conference will examine the U.S. industrial base and globalization and how it impacts the Army, the DOD, homeland defense, commercial industry and prime contractors.

Offering more than 25 workshops, the *2005 Acquisition Senior Leaders and AMC Commanders Conference* will feature two panel discussions with the Army's industry partners and small and disadvantaged businesses, as well as a Hot Seat Panel composed of key Army and DOD staff elements. Conference highlights will include a tour through American technological history as conference attendees visit the Ford River Rouge Plant, Greenfield Village and the Henry Ford Museum. Conference attendance is expected to include nearly 500 invitation-only guests.

For more conference-specific information, visit our Web site at <http://asc.army.mil>, or contact Betisa Brown, Conference Chairperson, at (703) 805-2441 or betisa.brown@us.army.mil.